



ARIZONA STATE SENATE
Fifty-Fifth Legislature, First Regular Session

AMENDED
 FACT SHEET FOR S.B. 1824

health; budget reconciliation; 2021-2022

Purpose

Makes statutory and session law changes relating to health necessary to implement the FY 2022 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and session law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless an emergency clause is enacted.

S.B. 1824 contains the budget reconciliation provisions for changes relating to health.

Provisions

Arizona Long-Term Care System (ALTCS)

1. Outlines the following FY 2022 county contributions for ALTCS:

County	Contribution
Apache	\$662,900
Cochise	\$4,551,700
Coconino	\$1,990,00
Gila	\$2,327,100
Graham	\$1,32,000
Greenlee	\$0
La Paz	\$375,100
Maricopa	\$184,272,900
Mohave	\$9,154,300
Navajo	\$2,744,100
Pima	\$44,073,400
Pinal	\$12,109,900
Santa Cruz	\$2,242,800
Yavapai	\$9,074,300
Yuma	\$9,701,600

2. Directs the State Treasurer to collect from the counties the difference between the total contribution and the counties' share of the state's actual contribution, if the overall cost for ALTCS exceeds the amount specified in the General Appropriations Act for FY 2022.
3. Specifies that the counties' share of the state's contribution must comply with any federal maintenance effort requirements.
4. Requires the Director of the Arizona Health Care Cost Containment System (AHCCCS) to notify the State Treasurer of the counties' share of the state's contribution and report the amount to the Director of the Joint Legislative Budget Committee (JLBC).
5. Directs the State Treasurer to:
 - a) withhold from any other monies payable to a county from any available state funding source, excluding the Arizona Highway User Revenue Fund (HURF), an amount necessary to fulfill that county's contribution requirement; and
 - b) deposit the withheld amounts and amounts paid by counties into the ALTCS Fund.

County Acute Care

6. Outlines the following FY 2022 county acute care contributions:

County	Contribution
Apache	\$268,800
Cochise	\$2,214,800
Coconino	\$742,900
Gila	\$1,413,200
Graham	\$536,200
Greenlee	\$190,700
La Paz	\$212,100
Maricopa	\$17,603,700
Mohave	\$1,237,700
Navajo	\$310,800
Pima	\$14,951,800
Pinal	\$2,715,600
Santa Cruz	\$482,800
Yavapai	\$1,427,800
Yuma	\$1,325,100

7. Requires the State Treasurer, if a county does not provide funding as specified, to:
 - a) subtract the amount owed by the county from any payments required to be made by the State Treasurer to the county plus interest on that amount, retroactive to the first day the funding was due; and
 - b) if the amount withheld is insufficient to meet that county's funding requirement, withhold from any other monies payable to that county from any available state funding source, excluding the HURF, an amount necessary to fulfill that county's requirement.

8. Requires that payment equal to 1/12th of the total amount for county acute care contributions be made to the State Treasurer by the fifth day of each month and requires the State Treasurer, on request from the Director of AHCCCS, to require that up to three months' payment be made in advance, if necessary.
9. Requires the State Treasurer to deposit the amounts paid and withheld into the AHCCCS Fund and the ALTCS Fund.
10. Allows the Director of AHCCCS, if payments made exceed the amount required to meet the costs incurred by AHCCCS for the hospitalization and medical care of eligible persons, to instruct the State Treasurer to:
 - a) reduce the remaining payments to be paid by a specified amount; or
 - b) provide to the counties specified amounts from the AHCCCS Fund and the ALTCS Fund.
11. States that it is the intent of the Legislature that the Maricopa County acute care contribution be reduced in each subsequent year according to the changes in the Gross Domestic Product price deflator.

Disproportionate Share Hospital (DSH) Payments

12. Establishes the FY 2021 DSH payments as follows:
 - a) \$113,818,500 for a qualifying nonstate-operated public hospital, of which \$4,202,300 is distributed to the Maricopa County Special Health Care District (District) and the remaining federal portion is deposited in the state General Fund (state GF);
 - b) \$28,474,900 for the Arizona State Hospital (ASH), of which the federal portion is deposited in the state GF; and
 - c) \$884,800 for private qualifying DSHs, which are hospitals that meet the mandatory definition of *qualifying DSHs* as defined by the Social Security Act or DSHs that are located in Yuma County and contain at least 300 beds.
13. Outlines the following requirements once AHCCCS files a claim with the federal government and receives federal financial participation based on the amount certified by the District:
 - a) if the certification is equal to or less than \$113,818,500 and AHCCCS determines that the revised amount is correct, AHCCCS must notify the Governor, the President of the Senate and the Speaker of the House of Representatives (House) and distribute \$4,202,300 to the District and deposit the balance of the federal financial participation in the state GF;
 - b) if the certification is for an amount less than \$113,818,500 and AHCCCS determines that the revised amount is incorrect, AHCCCS must notify the Governor, the President of the Senate and the Speaker of the House and must deposit the total amount of the federal financial participation in the state GF; or
 - c) if the certification is for an amount greater than \$113,818,500, AHCCCS must distribute \$4,202,300 to the District and deposit \$75,842,000 of the federal financial participation in the state GF.
14. Allows AHCCCS to make additional DSH payments to the District.

15. Outlines the following requirements once AHCCCS files a claim with the federal government and receives federal financial participation based on the amount certified by ASH:
 - a) if the certification is for an amount less than \$28,474,900, AHCCCS must notify the Governor, the President of the Senate and the Speaker of the House and must deposit the entire amount of federal financial participation in the state GF; and
 - b) requires the certified public expense (CPE) form to contain both the total amount of qualifying DSH expenditures and the amount limited by the Social Security Act.
16. Stipulates that, after DSH payment distributions are made, the allocation of DSH payments designated to political subdivisions, tribal governments and universities must be made available first to qualifying private hospitals located outside the Phoenix Metropolitan Statistical Area and the Tucson Metropolitan Statistical Area before being made available to qualifying hospitals within those areas.
17. Requires the District, by May 1, 2022, and ASH, by March 31, 2022, to each provide a CPE form for qualifying DSH expenditures to AHCCCS.
18. Continues to require AHCCCS to assist the District and ASH in determining the amount of qualifying DSH expenditures and maintains reporting requirements and distribution procedures of received federal matching funds in FY 2022.

Newborn Screening Program (Program)

19. Requires the Department of Health Services (DHS), by December 31, 2021, to add spinal muscular atrophy and x-linked adrenoleukodystrophy to Arizona's newborn screening panel.
20. Requires the Program to include all congenital disorders that are included on the recommended uniform screening panel adopted by the Secretary of the United States Department of Health and Human Services for both core and secondary conditions.
21. Requires, beginning January 1, 2022, the inclusion of disorders that are added to the core and secondary conditions list of the recommended uniform screening panel to the Arizona newborn screening panel within two years of their addition.
22. Requires DHS, by December 31, 2023, to add all remaining core and secondary conditions that are included on the recommended uniform screening panel adopted by the Secretary of the United States Department of Health and Human Services, as of December 31, 2021, to Arizona's newborn screening panel.
23. Asserts the intention of the Legislature that the Program fee established by DHS does not exceed the direct cost of the newborn screening tests and operation of the Program, excluding any gifts, grants, donations and state or federal funding.
24. Directs the Director of DHS to establish a committee to provide recommendations and advise to DHS on an annual basis regarding newborn screening best practices and emerging trends, and eliminates currently prescribed committee membership and duties.
25. Requires the Director to present any change to the Program fee to JLBC for review.

26. Requires, no later than 60 days after DHS adjusts the Program fee, insurers, AHCCCS and AHCCCS contractors to update their hospital rates that include newborn screening to reflect the increase.
27. Eliminates the prescribed \$36.00 fee cap for newborn first specimen and hearing tests.

Sexual Violence Services

28. Establishes the Sexual Violence Service Fund (SVS Fund) consisting of legislative appropriations, grants and contributions, and exempts Fund monies from lapsing appropriation requirements.
29. Directs the Department of Economic Security (DES), in consultation with the federally designated statewide Coalition to End Sexual Violence (Coalition) to:
 - a) establish SVS Fund priorities; and
 - b) develop a weighted methodology for allocating grant monies that considers service needs, existing services, geographic location and population ratios.
30. Requires DES to spend SVS Fund monies to provide grants to service providers for victims of sexual violence.
31. Requires, a condition for grant eligibility, that sexual violence service providers adhere to statewide service standards for sexual violence programs that are approved by DES in collaboration with the Coalition
32. Disqualifies sexual violence service providers who discriminate in their admission or provision of services based on outlined factors from grant eligibility.
33. Requires DES, by October 1 of each year, to provide a report to the Governor and the presiding officer in each chamber of the Legislature that includes information on the population served from each sexual violence service provider that receives SVS Fund monies.
34. Directs DES to consult with the Coalition in preparing the annual report and to provide a copy of the report to the Secretary of State.

Comprehensive Health Plan Expenditure Authority Fund (CHPEA Fund)

35. Requires the Department of Child Safety (DCS) to establish and maintain the CHPEA Fund as a separate Fund to distinguish DCS's revenues and expenditures related to the Comprehensive Medical and Dental Care Program (CMDP) from other DCS funded and administered programs.
36. Requires that CHPEA Fund monies be used to pay administrative and program costs associated with providing CMDP services.
37. Establishes that the CHPEA Fund consists of:
 - a) monies paid by AHCCCS pursuant to a contract;
 - b) amounts paid by third party payors;
 - c) gifts, donations and grants; and
 - d) interest on monies deposited into the CHPEA Fund.

- 38. Reverts any CHPEA Fund monies from capitated payments that are unexpended and unencumbered at the end of the fiscal year to the state GF by June 30 of the following fiscal year.
- 39. Permits the state GF transferred amount to be adjusted to pay non-Medicaid claims incurred by DCS.

***Board of Examiners of Nursing Care Institution Administrators
and Assisted Living Facility Managers (Board)***

- 40. Continues the Board until March 31, 2022.
- 41. States that the Legislature continues the Board to promote the safe and professional regulation of institutions and facilities in Arizona.
- 42. Expands Board membership from 9 to 11 members.
- 43. Requires, beginning July 1, 2021 that all Board-issued licenses and certifications be approved by the Board and the Department of Health Services (DHS).
- 44. Establishes the Nursing Care Institution Administrators and Assisted Living Facility Study Committee (Committee) and prescribes Committee membership and duties.
- 45. Requires, by December 1, 2021, the Committee to submit a report of its findings and recommendations to the Governor and the presiding officer in each chamber of the Legislature.
- 46. Terminates the Committee on July 1, 2022.

Vaccinations

- 47. Specifies that an immunization that has been authorized for emergency use by the U.S. Food and Drug Administration (FDA) is not required for school attendance.
- 48. Stipulates that immunizations must be prescribed by rule prior to being required for school attendance.
- 49. Precludes Arizona and any of its cities, towns and counties from establishing a COVID-19 vaccine passport, requiring that a person be vaccinated for COVID-19 or requiring that a business obtain proof of a patron's vaccination status before entry into the business.
- 50. States that any law or ordinance establishing a COVID-19 vaccine passport is not enforceable in Arizona.
- 51. Obligates an employer who receives notice from an employee whose sincerely held religious beliefs, practices or observances prevent the employee from taking the COVID-19 vaccination to provide the employee a reasonable accommodation, with certain exceptions.

52. Specifies that the aforementioned requirements do not:

- a) limit an individual's ability to request their own vaccination records or request that their records be released to an authorized third party; or
- b) prohibit specified health care institutions from requiring that their employees be vaccinated.

Miscellaneous

53. Directs Division of Developmental Disabilities service providers to develop and implement policies and procedures regarding the communication to responsible persons of a serious incident that affects a client who lives in a community residential setting within 24 hours of the incident's occurrence.

54. Authorizes the Department of Economic Security (DES) to take necessary actions to carry out prescribed duties, including the denial, suspension or revocation of a developmental home's license.

55. Directs DES to notify the parent or guardian of a developmental home resident of any serious incident or complaint at the developmental home involving the resident.

56. Asserts that the denial, suspension or revocation of a developmental home license due to the failure to obtain a fingerprint clearance card is not an appealable agency action.

57. Requires the Ombudsman to visit each long-term care facility in Arizona, subject to available monies, without prior notice at least biannually to speak with facility residents, or a resident's representative if the resident is nonverbal, without the presence of the facility's staff.

58. Requires DHS, by July 1 of each year, to submit an expenditure report to JLBC for the preceding fiscal year on monies transferred to DHS from the Medical Marijuana Fund and the Justice Reinvestment Fund.

59. Requires that the Medical Marijuana Fund annual expenditure report include expenditures by program, a list of distributed grants and an indication of when transferred monies have been spent.

60. Requires the Treasurer, by September 1 of each year, to report to JLBC and the Governor's Office on distributions made from the Smart and Safe Arizona Fund to DHS, the Department of Revenue, the Supreme Court, the Department of Public Safety and the Treasurer.

61. Requires that the Smart and Safe Fund annual report include the amount of actual distributions in the previous fiscal year and the estimated distributions for the current fiscal year.

62. Requires the Department of Insurance and Financial Institutions (DIFI), by March 31 of each year, to prepare a report that includes prescribed information regarding the medical loss ratio for each dental insurer in Arizona.

63. Requires that the report be posted on the DIFI website.

64. States that it is the intent of the Legislature for FY 2022 that AHCCCS implement a Medicaid program within the available appropriation.
65. Continues to exclude county contributions for Proposition 204 administrative costs from county expenditure limitations.
66. Continues to exclude county contributions related to the costs of inpatient, in-custody competency restoration treatment from county expenditure limitations.
67. Continues to allow monies in the Health Services Lottery Monies Fund to be used for purposes specified in the FY 2022 General Appropriations Act.
68. Continues to require DES to screen and test each adult recipient who is eligible for Temporary Assistance for Needy Families (TANF) benefits and who DES has reasonable cause to believe engages in the illegal use of controlled substances.
69. Continues to render any TANF recipient who tests positive for the use of a controlled substance that was not prescribed by a licensed health care provider as ineligible to receive TANF benefits for one year.
70. Requires DHS to reduce revenue generated from fees collected for services provided by the Bureau of Radiation Control by \$300,000.
71. Continues to allow AHCCCS to extend risk contingency rate settings for all managed care organizations (MCOs) and funding for all MCO administrative funding levels imposed in contract year 2010 for the contract year beginning October 1, 2021 and ending September 30, 2022.
72. Makes technical and conforming changes.
73. Becomes effective on signature of the Governor.

Amendments Adopted by Committee of the Whole

1. Specifies that an immunization that has been authorized for emergency use by the U.S. FDA is not required for school attendance and requires that immunizations be prescribed by rule prior to being mandatory for school attendance.
2. Precludes Arizona and any of its municipalities from establishing a COVID-19 vaccine passport, requiring that a person be vaccinated for COVID-19 or requiring that a business obtain proof of vaccination status as a condition of entry.
3. Voids any law or ordinance establishing a COVID-19 vaccine passport.
4. Obligates, with certain exceptions, an employer who receives notice from an employee whose sincerely held religious beliefs, practices or observances prevent the employee from taking the COVID-19 vaccination to provide the employee with an accommodation.
5. Continues the Board until March 31, 2022 and expands Board membership.

6. Requires, beginning July 1, 2021, that all Board-issued licenses and certifications be approved by the Board and the DHS.
7. Establishes the Committee and prescribes Committee membership, duties and reporting requirements.
8. Terminates the Committee on July 1, 2022.
9. Requires DIFI to prepare an annual report that includes prescribed information regarding the medical loss ratio for dental insurers in Arizona.
10. Makes technical and conforming changes.

Senate Action

APPROP 5/25/21 DP 6-4-1

Prepared by Senate Research

June 22, 2021

CRS/gs